

Donham Craft, Inc.

BARREL ELECTROPLATING
METAL FINISHING OF ALL TYPES



EAST WATERBURY ROAD
NAUGATUCK, CT 06770
(203) 729-8244

FAX 729-8487

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To Members of the Finance Committee:

My name is Patrick Hayden, President of Donham Craft, Inc a "Job Shop" metal finishing company located in Naugatuck, CT. We have been doing business in Naugatuck for over 45 years and we employ 58 people. In the past six month we lost eight employees to attrition and have not replaced them because of these tough economic times. In addition, I am the Past President of the Smaller Manufactures Association and a board member of MAC, the Manufactures Alliance of CT, and current president of the CT Association of Metal Finishers which combined represents well over 500 manufacturing company and over 10,000 employees.

I'm hoping that you truly take the time to reconsider the bills that have been put forth to your committee. I'm specifically opposed to HB-6348 An Act Concerning Corporation Business Tax Credits, HB-6349 An Act Concerning The Sales Tax On Services, HB-6350 An Act Eliminating Exemptions From The Sales And Use Tax And Lowering The Rate Of Such Tax, and SB-815 An Act Concerning A Moratorium On Business Tax Credits.

While I understand that CT is in a financial dilemma with a deficit in or around one billion dollars. Continuing to implement new taxes on manufactures is not going to help the state meet its financial short fall. As a matter of fact I believe that it will only exacerbate the manufactures and force more of us to move to business friendly states or out of business all together.

Please be aware that Donham Craft like many small manufactures in the region is a union facility that provides health care benefits (including dental and eye insurance) to all of its employees and their families. Although we do require a 20% employee contribution for those

benefits it is far better that the state average of 30 to 40%. And it is certainly better than 90% of the commercial businesses that rarely provide benefits at all.

So considering the cost of the insurances, natural gas, electricity, and an annual payroll of over three and a half million dollars and it has been almost impossible to post a profit, even a one percent profit since 9/11. The effect of any of the above bills would be devastating to us and the manufacturing community and would turn us from at best a marginally profitable company to one which will operate in the red for as long as possible prior to closing our doors.

We urge you to reject these proposals and work with the business community to encourage economic development with job retention and job creation in Connecticut.

Thank you.

Very Truly Yours,

Patrick Hayden

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